



United States Department of Energy
Oakland Operations Office
Berkeley Site Office

ASSESSMENT MANAGEMENT PLAN

for the

Lawrence Berkeley National Laboratory
Contract No. DE-AC03-76SF00098

Fiscal Year 2001

**SAMPLE ONLY
TO BE UPDATED TO REFLECT
ORGANIZATIONAL AND PROCESS CHANGES**

Concurrence:

Richard Nolan
Director, Berkeley Site Office

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I. INTRODUCTION

Performance-Based Management is an evolving model that reflects a fundamental change in the way the Department of Energy (DOE) is managing and overseeing its contractors. The focus is on the performance results contractors achieve with their own management systems rather than compliance with system requirements imposed by the Government. While the focus is on results, DOE also integrates compliance components that are part of the regulatory framework into the performance-based management approach. The foundation of this restructured oversight is credible contractor self-assessment of the sufficiency of internal controls to assure that key in-process requirements are met, including DOE and Federal laws, regulations, directives and orders.

This Assessment Management Plan (AMP) documents the operational awareness activities at LBNL.

II. DEFINITIONS

For Cause Review: Review of contractor operations or performance which is required as a result of poor performance or trends indicating the potential for improvement and/or requiring DOE follow-up to protect the Government's interest. This may include specific reviews that arise from implementation of new requirements on the contractor, or new systems requiring validation.

Management Systems: A management system is comprised of an organization's methods and procedures adopted by management to provide formal documentation and reasonable assurance that: program objectives are achieved effectively and efficiently; obligations, costs and activities are in compliance with applicable law; funds, property and other assets are safeguarded against waste, loss, mismanagement, fraud and abuse; and revenues and expenditures applicable to the organization's operations are properly recorded and accounted for to permit the preparation of reliable accounts and financial and statistical reports that maintain accountability over assets.

Operational Awareness: Day-to-day administration/knowledge of those activities which enable the Department to determine how well the contractor is performing to meet the requirements of the contract. Factors influencing the degree of operational awareness include the nature of the work, the type of contract, and past performance of the contractor. Specific activities constituting an ongoing operational awareness process should be defined by DOE and mutually understood by DOE and the contractor.

III. PURPOSE

This Assessment Management Plan (AMP) is internal documentation which supports and is integrated with OAK's overall Performance-Based Contract Management Program. The Plan specifically identifies OAK's anticipated annual, ongoing operational awareness activities supporting its assessment and documentation of contractor performance at the Lawrence Berkeley National Laboratory against Contract requirements, including performance objectives, criteria and measures.

IV. SCOPE

The AMP is intended to address the full scope of contractual performance for the Lawrence Berkeley National Laboratory in the areas of Science & Technology, and Operations and Administration. The following functional areas to be addressed in sections VIII through XVII: Science & Technology, Laboratory Management, Environmental Restoration & Waste Management, Environment, Safety and Health, Facilities Management, Financial Management, Human Resources, Information Management, Procurement, and Property Management.

V. OBJECTIVE

The objective of this AMP is to document the ongoing operational awareness of LBNL in accordance with contract terms and conditions. This document will assist in the development of DOE's evaluation of the annual appraisal report.

This AMP is premised on providing a level of operational awareness commensurate with the identified hazards, potential programmatic impact, risks or other factors associated with a given activity, i.e., the use of a graded approach. OAK's goal is to perform operational awareness that:

- contributes to a single, annual integrated management oversight system;
- addresses contractual oversight in a value added and cost effective manner without creating significant new formal procedures and documentation requirements;
- shifts approach focus from exclusive compliance to performance results and improvements;
- reflects increased reliance on contractor self-assessment and acknowledges the contractor's responsibility for managing compliance with contract requirements;
- supports the annual measurement and assessment of the contractor's performance against contract performance objectives, criteria and measures;
- aims to minimize the Department's need for conducting on-site reviews by increased knowledge of the contractor's operations;
- optimizes use of resources through avoidance of duplicate and low value activities; and
- furthers partnering between the contractor and OAK in establishing clear expectations and common objectives.

Success in meeting this objective will be evidenced by increased DOE awareness of contractor activities in partnership with the Laboratory; and demonstrated successful implementation of

DOE and the contractor's strategic plans and DOE-HQ's objectives in OAK contract administration activities.

Notwithstanding the above, it is acknowledged that "for cause" reviews may be required for the following reasons:

- a single or limited number of events that may be significant indicators of diminished contract performance;
- performance trends which indicate a need for improvement;
- implementation of new contract requirements; and/or
- new management systems which require validation.

Depending on the nature of the issue, "for cause" reviews may be accommodated independent of, additional to, or as a part of the operational awareness activities identified in this AMP.

VI. RESPONSIBILITIES

Contract clause 2.6 and Appendix F specify the contractual requirements and process for performance objectives, criteria and measures.

The OAK Site Manager for LBNL is responsible for assuring that the annual Assessment Management Plan is developed in accordance with OAK's Contractor Performance-Based Management Program.

OAK functional management is responsible for input into their respective area for the AMP, and conducting year-long operational awareness and performance assessment activities. FY00 Functional Assessment responsibilities are assigned as follows:

Responsible OAK Organization
Field Chief Financial Officer &
Business Management

Functional Area
Financial Management
Human Resources
Information Management

Associate Manager for Operations and
Site Management

Science and Technology
Laboratory Management
Environment, Safety & Health
Facilities Management
Procurement
Property Management

Associate Manager for Environmental Management

Environmental Restoration &
Waste Management

VII. METHODOLOGY

It is acknowledged that the success of the Lawrence Berkeley National Laboratory is highly dependent on the informal partnership between the Parties to drive performance improvement, reduce cost of operations, streamline oversight practices, achieve the adaptation of best business practices to the extent practicable, and to provide best-value support of scientific and technical excellence to ensure the continued relevance of the Laboratory and maximum contribution to national interests.

Consistent with contract requirements, the Parties will jointly develop annual contract performance objectives, criteria and measures. Concurrent with this development, the functional managers will seek to fully understand the respective plans for the Contractor's self-assessment and OAK's operational awareness and assessment activities. Two portions of this activity will be documented annually: The first as a contract modification and the second as OAK's AMP.

The DOE appraisal program of contractor performance relies substantially, though not exclusively, upon a comprehensive and credible Contractor Self-assessment. The Contractor's program of self assessment should, when applicable, include factors beyond the contract performance objectives, criteria and measures. Compliance with contract requirements (which do not always lend themselves to effective performance metrics) are a part of ongoing self-assessment and operational awareness. OAK's operational awareness activities, the Contractor's self-assessment and the subsequent OAK evaluation and appraisal of the self-assessment should all emphasize system rather than transaction adequacy. Adequate management systems are those that assure compliance is managed through internal controls and the ability to identify, plan for, and correct problems.

This AMP is OAK's internal documented process that outlines the planned annual operational awareness activities the functional managers will perform throughout the year. The annual result of the above activities, including implementation of this AMP, will be the formal DOE assessment of the contractor's performance at Lawrence Berkeley National Laboratory.

FY 2001 ASSESSMENT MANAGEMENT PLAN SCIENCE AND TECHNOLOGY

Site: Lawrence Berkeley National Laboratory

Contract Number: DE-AC03-76SF00098

Contractor: University of California

Performance Period: 10/1/2000 - 9/30/2001

Points of Contact:

Department of Energy: Richard H. Nolan, Manager, Berkeley Site Office
Anne M. Raible, Berkeley Site Office

Berkeley Laboratory: P. J. Oddone
Douglas Vaughan

The lead responsibility for technical programmatic assessments and evaluations for work conducted at LBNL, resides with the appropriate DOE/HQ division or office for DOE funded and jointly funded work, or with non-DOE sponsors for work funded by other than DOE. BSO staff members have Field Program Management responsibilities and interact with their HQ program counterparts. The BSO Field Program Managers remain cognizant of the Laboratory's work, attend program reviews, and provide support, coordination and program implementation for HQ Program Managers in interacting with the Laboratory on a day-to-day basis and to resolve issues. For the annual Laboratory Science and Technology evaluation, LBNL provides the BSO with copies of Laboratory Division Review Reports as they are completed, and a copy of the Laboratory's full Science & Technology (S&T) self-assessment by late August. By early September, the BSO forwards this information to DOE Director of the Office of Science and the Assistant Secretary for Energy, Efficiency and Renewable Energy and requests their appraisal/evaluation of LBNL's S&T performance. The Headquarter's Program Offices are required to provide the BSO with their input as to the technical quality and management of their programs by mid October. The BSO Field Program Managers review the HQ appraisal input in their respective areas for accuracy, consistency and thoroughness. While the BSO will not change a HQ Program rating without their consent, BSO may supplement the HQ input or make editing improvements as needed and appropriate, in finalizing a consolidated DOE S&T evaluation at the Laboratory.

The science and technical program areas at LBNL are: 1) Basic Energy Sciences, 2) High Energy Physics, 3) Nuclear Physics, 4) Advanced Scientific Computational Research, 5) Fusion Energy; 6) Biological and Environmental Research, 7) Energy Efficiency and Renewable Energy, 8) Fossil Energy, 9) Civilian Radioactive Waste Management.

The Laboratory program areas are evaluated based on the following four criteria:

- * Quality of Science and Technology - Recognized indicators of excellence, including impact of scientific contributions, leadership in the scientific community, innovativeness, and sustained achievement will be assessed as appropriate. Other performance measures such as

publications, citations, and awards may be considered. This criterion is to be applied to all aspects of technical work, including science, engineering and technical development.

- * Relevance to National Needs and Agency Missions - The impact of Laboratory research and development on the mission needs of the Department of Energy and other agencies funding the programs will be assessed in the reviews. Such considerations include national security, energy policy, economic competitiveness, and national environmental goals, as well as the goals of DOE and other Laboratory funding agencies in advancing fundamental science and strengthening science education. The primary mission of the Defense Program laboratories is to support National Security. The impact of Laboratory programs on National Security is of principal importance for this assessment element. The assessment may also consider the relevance and impact of Laboratory research programs on national technology needs. As appropriate, additional consideration will be given to performance measures such as licenses and patents, collaborative agreements with industry, and the value of commercial spin-offs.
- * Performance in the Technical Development and Operations of Major Research Facilities - Performance measures include success in meeting scientific and technical objectives, technical performance specifications, and user availability goals. Other considerations may include the quality of user science performed, extent of user participation and user satisfaction, operational reliability and efficiency, and effectiveness of planning for future improvements, recognizing that DOE programmatic needs are considered to be primary when balanced against user goals and user satisfaction. This includes, but is not necessarily limited to LBNL's performance related to aspects of the Spallation Neutron Source (SNS) Project, in accordance with the inter-Laboratory Memorandum of Agreement and approved work plans.
- * Program Management and Planning - The assessment should focus on broad programmatic goals, including meeting established technical milestones, carrying out work within budget and on schedule, satisfying the sponsors, providing cost-effective performance, planning for orderly completion or continuation of the programs, and appropriate publication and dissemination of scientific and technical information. In assessing the effectiveness of programmatic and strategic planning, the reviewers may consider the ability to execute projects in concert with overall mission objectives, programmatic responsiveness to changes in scope or technical perspective, and strategic responsiveness to new research missions and emerging national needs. In the evaluation of the effectiveness of program management, consideration may include morale, quality of leadership, effectiveness in managing scientific resources (including effectiveness in mobilizing interdisciplinary teams), effectiveness of organization, and efficiency of facility operations.

Prepared by:

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Berkeley Site Office

ASSESSMENT MANAGEMENT PLAN
FOR
LABORATORY MANAGEMENT

CONTRACT: DE-AC03-76SF00098

SITE: Lawrence Berkeley National Laboratory

PERFORMANCE PERIOD: FY2001 (October 1, 2000 – September 30, 2001)

POINTS OF CONTACT: BSO – Joseph Krupa

LBNL – Michael Chartock, Karl Olson

1. PURPOSE

The purpose of this Assessment Management Plan (AMP) is to identify the activities planned for FY2000 in connection with OAK's assessment of the Laboratory's performance against the performance objectives, criteria and measures (POCM) contained in the contract for the functional area of Laboratory Management

2. ASSESSMENT ACTIVITIES

2.1 SELF ASSESSMENT

The Laboratory will conduct a self assessment of Laboratory Management performance in accordance with the requirements of the contract. The Laboratory Management performance area focuses on overall leadership, direction and management. The Laboratory's overall management of contract requirements is relevant but specific compliance issues are not. OAK will review the self-assessment report.

2.2 INDEPENDENT EVALUATION OF SELF-ASSESSMENT

An independent Laboratory group will conduct an evaluation of the Laboratory's self-assessment. This effort is to assure that the self assessment is credible and that the conclusions are supported by documented data. This evaluation will be performed in accordance with guidance from University of California, Office of the President (UCOP). OAK will participate in the independent evaluation as an observer.

2.3 OPERATIONAL AWARENESS

The Laboratory Management performance area focuses on the activities of senior laboratory management and the effectiveness of those activities in providing appropriate direction to the operations of the Laboratory and responsiveness to internal and external customers. To a great extent, the results of Laboratory Management can be seen in the overall performance of the Laboratory in all areas, both administrative and programmatic. The efforts of the Laboratory's senior management team can be observed and understood through the following operational and institutional awareness activities:

- a. Discuss topics of interest among top managers of LBNL and OAK during bi-weekly Executive Committee Meetings.

- b. Discuss topics related to cost savings/avoidance, process improvement, productivity and barriers to efficiency among top managers of LBNL and OAK during the bi-monthly Executive Streamlining Group Meetings.
- c. Review and discuss annually with Laboratory management and staff the indirect cost rate submissions to analyze effectiveness of indirect cost control.
- d. Attend the annual budget formulation workshop and/or budget validation reviews to look at implementation of planning in budget and to understand cost prioritization and cost management methods and systems.
- e. Discuss current issues and share information on items of mutual interest regarding Laboratory management and operations with members of the OAK support matrix.
- f. Analyze Laboratory communication of performance expectations to staff such as bi-weekly publication *Currents* and the Annual State of the Laboratory Address.
- g. Research and read published sources, including lab, web, local and national media, to evaluate whether Laboratory direction and focus are consistent with stated policies, goals and plans.
- h. Review Laboratory planning documents such as the Institutional Plan and Comprehensive Facilities Plan to evaluate planning efforts and consistency with DOE strategic goals and objectives.
- i. Meet with Laboratory senior leadership to obtain information on strategic council activities and results; to understand issues, concerns and plans; to review progress on goals, results, improvements; and to discuss current significant issues.
- j. Meet with Laboratory and UC points of contact at mid-year to review performance measures and performance against objectives to date, and to discuss possible improvements to them.
- k. Share Laboratory self assessment information with HQ/SC and obtain feedback regarding HQ view of management performance and consistency with HQ strategic objectives.
- l. Observe the Laboratory's independent internal evaluation of self-assessment and supporting data, and provide feedback on draft self-assessment documents and advise the Laboratory of any missing elements or desired change in direction.
- m. Assess Laboratory response to HQ data requests; response to deadlines, particularly those driven by DOE directives; and response to external reports such as IG/GAO to evaluate Laboratory's ability to manage commitments.
- n. Attend stakeholder meetings as they occur to observe Laboratory response to community concerns.
- o. Participate in annual Office of Science on-site review to engage in discussions regarding Laboratory initiatives, issues and performance.
- p. Participate in any SC institutional management reviews to obtain information and to discuss Laboratory institutional issues and performance.

3. ASSESSMENT REPORT

OAK will prepare a report in accordance with the contract to document the results of OAK's assessment of the Laboratory's performance in the functional area of Laboratory Management based on the activities described above.

Joseph Krupa
Institutional Manager
Berkeley Site Office

LAWRENCE BERKELEY NATIONAL LABORATORY

From Appendix F

Measure	Data Needed	Provided By (LBNL)	Provided To (DOE)	Frequency of Data Input	Means of Validation
1.1.a The Laboratory will collect data on the volume of waste shipped offsite plus made “road ready” per total operations dollar costed per fiscal year. This data will be compared to an approved Current Year Work Plan to measure program efficiency.	1. Baseline data-				
	a. Program funding.	Waste Management Group (WMG)	Program Manager (PM) (M. Gross)	Annually	Comparison with budget; IPABS
	b. Volume of waste disposed by type.	WMG	PM	Annually	Operational Awareness
	2. Performance year data:				
	a. Program funding * LBNL PBS	WMG	PM	Quarterly	Comparison with budget; IPABS
	b. Volume of waste disposed by type.	WMG	PM	Quarterly	Operational Awareness; quarterly reports

Measure	Data Needed	Provided By (LBNL)	Provided To (DOE)	Frequency of Data Input	Means of Validation
1.1.b The Laboratory will reduce low-level and mixed waste inventories through treatment and disposal activities. Treatment and disposal volumes will be tracked and compared to the EM Management Commitments.	1. Performance Year Data				
	a. Volume of waste disposed by type.	WMG	PM	Quarterly	Operational Awareness; quarterly reports
1.2 The Laboratory will advance the state of the art technologies by implementing their usage; participate in the corporate advancement of the EM Program by providing solutions or assistance to other DOE/OAK sites; and identify and implement innovative technological solutions or business practices that result in savings.	1. Non-LBNL EM developed technologies used at LBNL.	ES&H and Earth Science Division Directors	LEPD Technical Development Program Management (Couture and Ko) and ER/WM Management (Cullen)	Annually	Operational awareness. Midterm and year-end reviews, and meetings.
	2. LBNL-developed technologies used at any DOE site.	ES&H and Earth Science Division Directors	LEPD TD and OEPD ER/WM	Annually	Operational awareness. Midterm and year-end reviews, and meetings.

Measure	Data Needed	Provided By (LBNL)	Provided To (DOE)	Frequency of Data Input	Means of Validation
	3. LBNL-developed technologies used at other sites.	ES&H and Earth Science Division Directors	LEPD TD and OEPD ER/WM	Annually	Operational awareness. Midterm and year-end reviews, and meetings.
	4. LBNL participation in the corporate advancement of the EM program by providing solutions or assistance on projects at other DOE sites, resulting in:				
	a. Cost savings	ES&H and Earth Science Division Directors	LEPD TD and OEPD ER/WM	Annually	Operational awareness. Midterm and year-end reviews, and meetings.
	b. Improved efficiency	ES&H and Earth Science Division Directors	LEPD TD and OEPD ER/WM	Annually	Operational awareness. Midterm and year-end reviews, and meetings.
	c. Liability or risk reduction	ES&H and Earth Science Division Directors	LEPD TD and OEPD ER/WM	Annually	Operational awareness. Midterm and year-end reviews, and meetings.
	d. Use of LBNL resources or facilities to aid others	ES&H and Earth Science Division Directors	LEPD TD and OEPD ER/WM	Annually	Operational awareness. Midterm and year-end reviews, and meetings.
	5. Cost savings resulting from identifying and/or implementing innovative technological solutions or business practices.	ES&H and Earth Science Division Directors	LEPD TD and OEPD ER/WM	Annually	Operational awareness. Midterm and year-end reviews, and meetings.

Measure	Data Needed	Provided By (LBNL)	Provided To (DOE)	Frequency of Data Input	Means of Validation
1.3 The Laboratory will track the program schedule completed in the FY and compare it against the schedule baseline.	1. Cumulative Budgeted Cost of Work Scheduled and regulatory/non-regulatory milestones completed.	Environmental Restoration Program Manager (Javandel)	Environmental Restoration Div. Project Manager (Patel)	Quarterly	Review of Multi-Year Work Plan (MYWP), Baselines, IPABS-PEM and meetings.
1.4.a Laboratory's performance in executing projects in accordance with an approved and validated project cost baseline.	1. Cumulative Budgeted Cost of Work Performed.	Environmental Restoration Program	LBNL Project Mgr. (ERPM) (Patel)	Monthly IPABS-PEM	Cost validations; examination of carryover funds.
	2. Cumulative Actual Cost of Work Performed	Environmental Restoration Program	ERPM	Annually	Cost validations; examination of carryover funds.

Measure	Data Needed	Provided By (LBNL)	Provided To (DOE)	Frequency of Data Input	Means of Validation
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Measure	Data Needed	Provided By (LBNL)	Provided To (DOE)	Frequency of Data Input	Means of Validation
1.4.b Laboratory's performance in executing Level of Effort activities in accordance with an approved project cost baseline.	1. Cumulative Budgeted Cost of Work Performed.	Waste Management Group	LBNL Project Mgr. (WMPPM) (Gross)	Monthly	Comparison with submitted budgets; IPABS
	2. Cumulative Actual Cost of Work Performed	Waste Management Group	WMPPM	Monthly	Comparison with submitted budgets; IPABS
	3. Cumulative Budgeted Cost of Work Scheduled.	Waste Management Group; PTS	WMPPM	Monthly	Comparison with submitted baseline; IPABS

Section XI

Environment, Safety and Health

FY 2001 Assessment Management Plan Environment, Health & Safety

Site: Lawrence Berkeley National Laboratory

Contract Number: DE-AC03-76SF00098

Functional Area: Environment, Health & Safety

Contractor: University of California

Point of Contact: Richard Nolan, BSO
David McGraw, LBNL

Introduction:

The purpose of this plan is to describe and document how the Berkeley Site Office (BSO) assesses and measures contractor performance in the area of Environment, Health and Safety (EH&S).

In the fall of 1996, the Department on Energy (DOE) issued DOE P 450.4, entitled "Safety Management System Policy". This Policy defined a methodology whereby safety management systems will be used to systematically integrate safety into management and work practices at all levels so that missions are accomplished while protecting the public, the worker, and the environment. This approach was codified through promulgation of 48CFR970.5204-2, entitled "Integration of Environment, Safety and Health into Work Planning and Execution". Both of these documents provide requirements directing DOE sites to manage activities and perform work using an Integrated Safety Management System (ISMS) approach. Implementation guidance for these requirements was provided in DOE-Oakland Operations Office (OAK) Contracting Officer's guidance, dated November 13, 1997, and DOE Office of Energy Research (ER, now the Office of Science (SC)) guidance for ISMS dated April 3, 1998. Additional guidance and/or expectations for ISMS implementation was provided in DOE/UC contract Lawrence Berkeley National Laboratory. LBNL's ISM Plan was approved July, 1998 and validated July, 1999 for FY 98, and re validated February, 2000 for FY 99 in separate reports and December 2000 for FY 2000. The FY2000 validation was incorporated into the Fiscal Year 2000 Annual Performance Evaluation and Appraisal Lawrence Berkeley National Laboratory Report under the process performance measure evaluation and report executive summary.

Scope of Responsibilities:

The Berkeley Site Office has programmatic oversight responsibilities for all Office of Science at Lawrence Berkeley National Laboratory and Lawrence Livermore National Laboratory. Environmental program oversight is assigned to the OAK Environmental Management Division

(EM). Program divisions are responsible for assuring the safe operation of their program activities at LBNL. Where required, these organizations have assigned appropriately trained personnel to assess environment, health and safety concerns on a routine day-to-day basis.

Major Office of Science funded programs at LBNL* are:

- High Energy & Nuclear Physics
- Basic Energy Sciences
- Fusion Energy Research
- Biological & Environmental Research
- Computational Science

(*NOTE: The Office of Science also funds other Laboratory programs at a lessor funding level. All SC programs fall under the EH&S oversight of the BSO except for the SC programs at Stanford Linear Accelerator Center)

Site institutional management/oversight at LBNL has also been assigned to the BSO. The BSO is responsible for oversight of the environment, health, safety, safeguards and security, and waste management infrastructure at the Lab, and for assuring safe operations at institutional facilities not assigned to a specific program.

ROLES AND RESPONSIBILITIES

Site Manager

The BSO Site Manager is responsible for integrating the DOE's management, operations, and performance assessment activities at the Laboratory. The Site Manager is responsible for the safe operations of all programmatic and institutional activities in accordance with the policy and requirements established by the Department of Energy, and the Oakland Operations Office. To assist the Site Manager, a cadre of safety professionals has been assigned to the BSO.

These safety professionals have been designated as Field Program Managers by the Site Office Manager, and have been delegated environment, safety and health, safeguards and security, and waste management responsibilities in their assigned program areas.

At the direction of the Site Manager, the BSO assessment of the Lab's contractual requirements, and the validation of an effective Laboratory ISMS system, will be performed in accordance with guidance provided by the DOE-OAK Contracting Officer, which notes that the Laboratory program validation will be performed:

- through operational awareness* by designated DOE-OAK personnel,

- by assessing the performance of key EH&S system outcome and process performance objectives in the contract, and,
- as part of the annual DOE evaluation of the Contractor's self-assessment.

(*Operational Awareness is an activity that supports performance assessment. See below)

BSO Operations Lead:

The BSO Operations Lead is a senior Field Program Manager who is designated by the BSO Site Manager, and is responsible for: integrating safety requirements across programmatic lines, developing the EH&S Assessment Management Plan, and coordinating the implementation of site safety activities and policies. Additionally the Operations Lead is responsible for:

- policy and guidance developed in support of the BSO Operational Awareness Program,
- provide guidance and direction to the OAK Matrix and BSO Facilities Operations Engineers for DOE/BSO Operational Awareness Activities,
- leading negotiations, with the Lab, and UC to determine FY Performance Objectives, Criteria and Measures,
- leading the annual Performance Assessment Validation Process of the Lab's ISMS, and, preparing the Laboratory Annual Report, and,
- assuring that the appropriate level of support is provided to the BSO by the Oakland Operations Office Matrix Support team.

Field Program Managers:

Field Program Managers (FPMs) are BSO senior staff assigned environment, health, and safety oversight responsibilities. As Field Program Managers, they are responsible for the safe, efficient, and environmentally acceptable operations of their assigned program, and facilities. (See Scope & Responsibilities Section for program listing).

FPMs are also responsible for programmatic activities including: responsibility for program operation(s) in accordance with the policy and requirements established by DOE. They are responsible to the site Manager for:

- maintaining cognizance of program activities and safety issues and lead efforts to resolve any concerns to safe performance of work, and,

- request subject matter expert advice on safety, safeguards and security, and waste management matters to clarify issues and recommend course of action to drive improvement as needed.

OAK Matrix Support:

The OAK Matrix is comprised of environment, health and safety subject matter experts (SMEs) who provide technical assistance and support to the BSO Field Program Managers. They are part of OAK's Environment, Safety & Health Division (ESHD), and are current in all aspects of DOE, and/or new regulatory requirements. They assist the FPMs with:

- quarterly review of Appendix F Performance Measure Results,
- provide guidance on EH&S requirements and emerging safety issues, and,
- review, comment, and recommend approval on Laboratory documents as appropriate.

Specifically, the OAK SMEs may participate in: observing Laboratory Self Assessment Activities, participating in Lab Integrated Functional Appraisals, performing facility surveillance's and/or walk throughs, review accident and injury statistics, provide subject matter advice to Programs Leads, participate in periodic Laboratory EH&S meetings to be aware of safety issues, and work together with their Laboratory counterparts to drive program improvement.

They provide continuous feedback to their Laboratory counterparts and the BSO on the performance of Laboratory EH&S management systems, and the effectiveness of the Lab's integrated safety management systems.

Berkeley Site Office Operational Awareness Program:

The BSO's Operational Awareness Program (OA) is the continuous interaction of day -to-day (pre-planned and/or routine) activities between DOE and their LBNL counterparts. The purpose of the program is to provide DOE with current and continuous information concerning the effectiveness of the Laboratory's EH&S programs and for the annual evaluation of the Laboratory's performance. It is designed to maintain knowledge and assurance of Laboratory operations and associated risks and controls.

Through the OA process, DOE FPMs, and OAK Matrix SMEs, actively participate in various EH&S activities being conducted at the Lab. OA activities include observing and evaluating Lab personnel in performance of their assigned functional responsibilities, including, but not limited to: performing Appendix F self-assessment (i.e., key EH&S system outcome and process performance objectives); division self-assessments, Integrated Functional Appraisals; EH&S

management reviews, management system assessments, for-cause reviews, and corrective actions validation. Specific OA activities are annually planned jointly with DOE and LBNL staff and documented in Individual Implementation Plans (IIPs) prepared by involved BSO and OAK personnel.

The results of these OA activities are utilized to assess Lab's performance against the performance expectations in the contract. An annual report on the Berkeley Lab's performance will be prepared by DOE BSO and will include significant observations, conclusions and trending data.

Through operational awareness DOE and LBNL work together to plan and implement an effective assessment program. DOE, OAK, and the Laboratory, work together to exchange information and minimize the need for formal annual assessment. This is achieved by assessing performance of EH&S systems, on a continuous basis, and providing feed back to drive improvement throughout the year.

The operational awareness program is detailed in the latest version of the DOE/BSO Publication titled: ES&H Operational Awareness Guide, "Partnering Towards a New Vision of Assurance".

DOE Annual Assessment/Validation:

Annual validation of the Lab's effective implementation of its approved Integrated Safety Management System is an integral part of normal operational awareness activities, and the results of the validation is incorporated in the DOE Annual Performance Evaluation Lawrence Berkeley Laboratory report. BSO, as well as OAK personnel, will actively participate in validating the information presented by the Lab's self-assessment report, as well as divisional self-assessments report.

Additionally, the BSO, as well as OAK personnel, may participate with Laboratory personnel on specialized assessments/requests directed by DOE Headquarters'. These occur throughout the year. These Headquarters' mandated assessment/requests vary in functional area, but are usually directed from the Office of Health & Safety (EH). They provide additional insight into the effectiveness of the Lab's EH&S Performance.

This validation, and verification data will be rolled up into the DOE's, Laboratory Annual Performance Report, which provides DOE's assessment of EH&S results against Appendix F performance expectations. This will result in an annual recommendation to the OAK Contracting Officer on the effectiveness of the implementation of the Lab's ISMS.

Prepared by:

Hattie Carwell
Operations Lead

Berkeley Site Office

FY01 Assessment Management Plan Facilities Management

Laboratory: Lawrence Berkeley National Laboratory (LBNL)

Contract #: DE-AC03-76SF00098

Contractor Name: University of California

Performance Period: 10/1/00 – 9/30/01

Points of Contact:

DOE/OAK:	Barry A. Savnik Acting Director Engineering and Facilities Management Division
LBNL:	Robert Camper Head Facilities Department

I. Purpose. The purpose of this plan is to document the activities to be used for assessment of LBNL facilities management performance against the performance measures for the Fiscal Year 2001 performance period.

II. Assessment System. Performance measures form the basis for sound performance based management at OAK and as such are a major part of the laboratory performance assessment. Performance measures alone do not provide information on adherence to laws and regulations or the effectiveness of internal controls. Because compliance and internal controls often have a direct effect on performance, operational awareness activities will be employed to ensure that controls are in place and working as intended and that activities are adhering to laws and regulations. Therefore, the performance assessment system will consist of two categories of activities: Assessment of Contractual Performance Measures, including the laboratory self assessment process, and Operational Awareness. OAK will complete an annual assessment of LBNL's performance based on the validation of the laboratory self assessment, reviews and operational awareness activities.

III. Applicable Performance Measures. The performance measures for facilities management are incorporated in Appendix F of the Management & Operation (M&O) contract between OAK and the Regents of the University of California (UC). These measures are developed jointly between UC and OAK on an annual basis. Assessment of LBNL's performance against these measures will consist of the following activities:

- a. LBNL Facilities Department will conduct quarterly self assessments.

- b. OAK will review with LBNL Facilities Department the results of the quarterly self assessments.
- c. LBNL (Non- LBNL Facilities Department) will conduct an independent evaluation of the third quarter self assessment results with OAK representatives participating as observers.

IV. DOE Operational Awareness Activities. OAK performance-based management of LBNL is accomplished through DOE operational awareness activities and the Laboratory self-assessment. Operational awareness activities are conducted throughout the appraisal period as a means of gaining the required knowledge and understanding of Laboratory activities in executing the DOE mission and to validate the annual self-assessment. Activity implementation and results will be validated through observation and confirmation by functional leads, Laboratory management, etc. Operational awareness will be conducted by OAK in accordance with the latest revision of the *Life Cycle Asset Management Partnering Agreement between Lawrence Berkeley National Laboratory and Oakland Operations Office*.

This Assessment Management Plan has been reviewed by LBNL.

Barry A. Savnik
Acting Director Engineering and Facilities
Management Division

**FY 2001 Assessment Management Plan
Financial Management**

Site: Lawrence Berkeley National Laboratory

Contract Number: DE-AC03-76SF00098

Contractor: University of California

Points of Contact:

Budget Division

DOE: Edward Knuckles, Director, BUD

LBNL: Pat Jenkins, Manager, Budget & Financial Analysis

Business Evaluation and Performance Division

DOE: Eileen Rountree-McLennan, Director, BEPD

LBNL: John Patterson, Controller, Terrance Hamilton, Audit Director

Finance Division

DOE: Lee Elster, Director, Finance Division

LBNL: John Patterson, Controller

Performance-Based Management Oversight

The Department of Energy adopted a new contractor oversight strategy in 1996. New legislation, reforms and performance-based contracts led the Department to seek a new paradigm for contract administration and oversight.

For the CFO, these changes created an opportunity to re-think historical means of financial oversight and contract administration. Performance-based contracting and results-based outcomes have replaced traditional oversight processes that formerly included compliance reviews and on-site financial inspections by headquarters and field office personnel. These were costly, time consuming, and often unsatisfactory.

More important, the CFO recognized its primary responsibility is to give management financial information it needs to make sound decisions, especially in times of scarce resources and rapidly changing priorities. Headquarters and Field Managers must have confidence that M&O contractor financial management practices, procedures and systems embrace efficiency, integrity, timeliness, reliability and yield relevant information. This stimulated the need for a thorough but less costly and burdensome approach to effective financial operations and oversight of the large DOE M&O contractors. To address these issues and opportunities, the DOE CFO developed guiding principles for effective financial management of M&O contractors. These

guiding principles provide the basis for establishing a comprehensive performance-based oversight process that emphasizes performance measurement and outcomes, balanced with other operating activities to promote results oriented, economical, and efficient operations. We provided the Guiding Principles document and suggested approaches to the laboratory.

The Guiding Principles are:

Principle 1.	Assess Adherence to Laws, Regulations, and Financial Contract Clauses
Principle 2.	Provide Accurate and Relevant Financial Reporting to Customers
Principle 3.	Evaluate and Assess Effectiveness of Financial Planning
Principle 4.	Obtain and Manage Resources to Accomplish Program Goals
Principle 5.	Assess Effective and Efficient Use of Government Resources

The Business Management Oversight Process (BMOP) is the Department's mechanism of oversight and assessment of DOE and contractor financial management. The Assessment Management Plan (AMP) is Oakland's implementing strategy.

The AMP combines the following approaches and elements to meet the Guiding Principles objectives: (a) performance measures, (b) contractor self-assessment, (c) an annual review, (d) "for cause" reviews, (e) partnering between the contractor and field office, (f) financial management risk assessment and (g) operational awareness.

a) **Contract Performance Measures**

Performance measurement involves determining what to measure, identifying data collection methods, collecting and evaluating results. Evaluation involves an assessment of progress toward achieving stated performance expectations. Performance measurement and evaluation are key components of performance-based management, the systematic use of information generated by performance plans, and comparing outcomes to strategic plan and program objectives.

Appendix F, the official contract requirement to measure contractor performance in selected areas within each business function, serves as the primary vehicle to fulfill the performance-based management objective.

OAK, UC and the Laboratory review and adjust performance measures annually. OAK functional managers meet with Laboratory and UC counterparts to review the measures and revise them, considering the following factors: (1) Attainment of desired outcomes or

trends, (2) Marginal cost of improvements, (3) Consistency with strategic plan goals, and (4) Development of better measurement tools.

The DOE/University of California Contract contains a detailed description of Appendix F performance objectives, criteria and measures at Part III, Financial Management.

b) Laboratory Self-Assessment Activities

The annual Laboratory Self-Assessment is the primary mechanism for evaluating performance against the established objectives and outcomes. The Laboratory is responsible for conducting a credible, documented Self-Assessment of all measures, including real-time problem identification, resolution, and improvement planning. The self-assessment provides: (1) an assessment of actual performance against stated objectives, criteria and measures, (2) an explanation of how they met the measures, and (3) opportunities for improvement. Along with the Self-Assessment, OIG, GAO and internal audit reports are considered in assessing financial performance.

OAK CFO roles in the Self-Assessment process include:

1. Review and development of annual objectives, criteria and measures;
2. Interim performance status checks or briefings;
3. Observation of the independent review of reported results by UC and impartial laboratory validation teams;
4. Comparative review of the annual UCLAO rating;
5. Determination of the annual DOE rating.

c) Annual Review and Validation

The OAK/FCFO may further validate the self-assessment or conduct formal reviews of financial performance during an annual two week review period (each year). This occurs after receipt of the University of California Laboratory Administration Office's (UCLAO) parallel review and rating of Laboratory performance.

The purpose is to confirm, test, or substantiate claimed performance. It may include related subject areas not extensively covered in a performance measure that involve a discreet activity or specific issue that is of DOE or CFO management concern.

Validation typically involves a review of underlying documentation and application of operating knowledge to confirm that the Self-Assessment and conclusions are reliable.

This provides DOE with reasonable assurance that reported results reflect current and accurate data. We may also augment validation through independent audit reports (IA, IG, GAO) related to performance elements.

d) "For-Cause" Reviews

These reviews may occur any time during the year. We may do '*for-cause*' reviews because of significant issues, specific events, or concerns noted through day-to-day operations, interim performance briefings, and the Self-Assessment report itself. They may vary in nature and scope from brief fact-finding to detailed reviews depending upon circumstances and needs.

For-Cause reviews may relate to: IG, GAO, Audited Financial Statements or other significant financial reports; collaborative reviews with other OAK organizations (for example: to resolve incomplete action or corrective plans, open DARTS or Management Review recommendations). However, they will not duplicate a prior audit or review.

e) Partnerships Between Contractor and Field Office

An effective oversight system is built upon open communication, partnerships and trust... at all levels -- Headquarters CFO and program offices, Field CFO offices and contractors. Communication, coordination and cooperation are also necessary to ensure mutual understanding of expected performance and target outcomes.

Partnering with the contractor is also an integral part of strategic planning, financial stewardship, compliance with applicable laws, regulations and contract requirements, improving financial processes or systems, and incorporating “best business practices” that meet or exceed federal standards, yet cost less. Partnering with contractors in various recurring financial activities is described below (section g).

f) Financial Management Risk Assessment

We focus on key financial controls, systems or susceptible processes to gauge financial management risk. Risk assessments are bilateral judgments used to select financial activities ranked by relative priority and risk posed to the entire financial organization. Risk assessment results provide a corporate statement of responsibility that guide the performance measure process and establish evaluation priorities of financial systems, processes, or controls.

Annually, the FCFO participates with Headquarters CFO organizations, Laboratory Finance and Internal Audit to identify areas of high risk for audit or self-assessment. Selected risk areas are integrated into Appendix F performance measures.

g) DOE Operational Awareness Activities

Operational awareness activities are the most immediate and effective means by which OAK financial managers can judge if the contractor is meeting the five guiding principles of effective financial management. These day-to-day contacts and interactions are critical to identifying problems in their earliest stages and provide the best opportunity for fast, responsive corrective actions.

The following are examples of FCFO operational awareness activities: (1) report of performance measure data on a monthly, quarterly, or other periodic basis, (2) frequent, open and frank meetings between FCFO managers, liaison staff and contractor counterparts, (3) participating in briefings of systems and processes, (4) review and analysis of internal and external financial reports, (5) periodic or special cost analyses, including indirect costs, and (6) other spontaneous spot checks or inquiries.

Through these means the FCFO expects to maintain a continuing understanding of the contractor’s financial operations, processes, and management control systems. This interaction is essential to assure changes to operations or procedures do not adversely affect the quality, integrity and usefulness of financial data and reports.

The conduct of operational awareness extends through all levels of financial management personnel (from FCFO to staff interaction with laboratory counterparts) and includes everyday normal business and reporting, as well as special purpose interactions.

ACTIVITIES This table provides a cross-reference of operational awareness activities to the Guiding Principles of Effective Financial Management	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5
Maintain awareness of contractor financial system management controls	<input type="checkbox"/>	<input type="checkbox"/>			
Conduct periodic reviews of related party transactions	<input type="checkbox"/>				<input type="checkbox"/>
Federal Manager's Financial Integrity Act (FMFIA)	<input type="checkbox"/>				
Analyze financial statements and other accounting reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Perform biennial pricing review	<input type="checkbox"/>	<input type="checkbox"/>			
Performance Measure Development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Respond to urgent ad-hoc HQ requests for information		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Contractor conformance with financial laws and regulations	<input type="checkbox"/>	<input type="checkbox"/>			
Monitor Line Item Construction Projects & facilitate project management	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
Review and validate expense-funded projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Budget submission & Validation	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost and commitments are controlled to Appropriate Funding Levels	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Review and certify annual cost incurred and claimed	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Review & approve overhead rates and allocations		<input type="checkbox"/>	<input type="checkbox"/>		
Review final indirect cost rate submissions		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Partner w/contractor to monitor financial status & timely account closings		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Report pension, post-retirement benefits, ES&H and contingent liabilities, managerial cost, deferred maintenance, etc.		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Resolve financial audits/review issues		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Conduct special financial studies/analyses		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conduct spot checks	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Trend and analyze costs		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial liaison meetings with contractors.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conduct risk assessments			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess internal audit function				<input type="checkbox"/>	<input type="checkbox"/>
Partner with internal auditors & external audit agencies				<input type="checkbox"/>	<input type="checkbox"/>
Partner with counterparts to validate selected cost reduction efforts & other cost incentives			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Partner with contractors on issues and systems projects				<input type="checkbox"/>	<input type="checkbox"/>
Provide useful financial information and analysis to programs and others		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For detailed descriptions of these activities see Attachment.

Appendix I

DETAIL DESCRIPTION OF OPERATIONAL AWARENESS ACTIVITIES FOR CONTRACT ADMINISTRATION OF FINANCIAL MANAGEMENT

1. Maintain awareness of contractor financial system management controls, particularly changes to operations.

The CFO should possess a detailed understanding of the contractor's automated financial systems and its integration with management controls such as its approved policies and procedures. We can accomplish this understanding and awareness through routine meetings, briefings, and reviews of financial reports. This routine interaction is necessary to assure that any changes to operations have not adversely affected the integrity of financial data. The CFO Act requires federal review of contractor accounting systems to assure they comply with federal and commercial standards and include adequate controls over financial processes and record-keeping. As part of this process, DOE must ensure that the contractor provides a Disclosure Statement detailing cost accounting practices that are in conformance with Cost Accounting Standards (CAS) and Generally Accepted Accounting Practices (GAAP) requirements

2. Perform periodic reviews of related party transactions.

Related party transactions include transactions between a contractor and an affiliated or related party. We perform these reviews to obtain reasonable assurance that contractor related party transactions are identified, conform with DOE requirements, and qualify as an arm's length transaction. The review of contractor related party transactions is an annual requirement.

3. Administer Federal Managers Financial Integrity Act (FMFIA).

Heads of Departmental Elements are required to report annually on the management controls and financial management system(s) in their respective programs and administrative functions. This information is reported through issuance of an annual assurance memorandum and typically includes current reportable problems and status updates of previously reported problems.

4. Perform Biennial Pricing Review

This is a requirement of the Chief Financial Officers Act. DOE's contractors provide goods and services to non-DOE entities and must develop prices for such goods and services. The FCFO must review and validate these prices to assure that they are consistent with public policy and neither over- nor under-charge the recipients of goods and services.

5. Analyze Financial Statements and Other Accounting Reports

The primary purpose of analyzing financial statements is to disclose any unusual trends or unacceptable conditions, such as unusual growth in construction work-in-process or extraordinary increases in liability accounts. In addition, the CFO Act requires an annual OIG

audit of financial statements. Where contractor financial data is integrated with DOE accounts, Field CFO's are responsible for the integrity, accuracy and proper classification of all financial statement data. To assure themselves that financial results and statements are consistent with GAAP, CAS and federal laws and regulations, Field CFO's must conduct ongoing analyses of the integrity of those statements and results.

6. Respond to Urgent Ad Hoc HQ Directed Requests for Information (Review/Analyze/Validate Contractor Adherence to Policy and Direction)

Field CFO's frequently receive urgent HQ direction to verify or assure contractor adherence to Congressional or DOE policy. These requests may involve validating uncashed balances in B&R, accounts, working with contractors to expedite closeouts of line item construction projects, verifying that contractor depreciation methodology is consistent with DOE requirements, etc. These requests come to the field continuously throughout the year and may involve extensive contact with contractor personnel and review of contractor documentation and processes or information.

7. Determine Contractor Conformance with Financial Laws and Regulations

A prime element of contract administration involves assurance that relevant laws and regulations are being followed. This fiduciary responsibility is necessary to protect the taxpayer's interests and to mitigate the probability of fraud, waste and abuse. This activity is also necessary to fully carry out responsibilities under the Federal Managers Financial Integrity Act.

8. Analyze and Validate Expense-funded Projects

Federal law prohibits the use of operating (expense) funds for many capital activities, and vice-versa. When contractors propose expense-funded capital projects, it is necessary for Field CFO personnel to review and validate that such projects meet established criteria for expense funding. This has historically been an area of frequent congressional interest and repeated problems for the Department.

9. Validate/Certify Annual Cost Incurred and Claimed

Contractors that DOE funds with Treasury Letter of Credit financing are required to submit an annual statement of costs incurred and claimed. Field CFO personnel conduct analyses and validation are needed of contractor costs and related controls to assure that all costs claimed and paid to contractors are allowable under federal law and contract terms.

10. Analyze/Review/Approve Overhead Rates and Allocations

At each major DOE contractor operation, hundreds of millions in direct and indirect costs are allocated to end cost objectives via overhead pools. In addition, DOE contractors develop and utilize standard rates for allocation of such items of indirect cost as labor, G&A expenses, and information resource expenses. To assure that such costs are properly allocated, laws governing

augmentation of appropriations are complied with, and that direct/indirect costs are being accounted for appropriately, FCFO personnel analyze the components and allocation methodology employed in overhead cost formulation and distribution.

11. Analyze and Validate Pension/Environmental/Contingent Liabilities

Field CFOs must certify the accuracy and completeness of disclosed financial liabilities of contractors. In addition, we must fully disclose such liabilities in departmental financial statements, related footnotes, and management representation letters.

12. Analyze Results of Financial Audits/Reviews Conducted (Evaluate Deficiencies)

To provide an understanding of the overall health of financial processes at the contract site, the contractor is expected to establish and maintain a suitable tracking system to analyze and track results of corrective action plans. Relevant findings should be communicated to appropriate senior executive and program managers. This also includes reviews of audit plans and audit plan progress to aid in evaluating internal audit functions of the contractor.

13. Conduct Management Directed Special Cost Studies/Analyses

We evaluate proposals, related costs and make appropriate recommendations to management regarding the results of special studies or analyses. Examples include: product related studies, resource studies, and cost-benefit analyses.

14. Conduct spot checks.

Spot checks provide a vehicle for DOE management to evaluate a possible financial concern. This is a fact finding analysis, to disprove the need for concern, identify a “for-cause” situation, or look into a non-critical situation requiring informal contractor correction and follow-up. Spot checks are done occasionally and are considered part of operational awareness.

15. Review final indirect cost rate submissions.

Final indirect rate audits are necessary to identify under/overpayments and close out subcontracts. These reviews analyze all indirect cost (frequently using statistical sampling) for allowability, accuracy, allocability, and reasonableness. Acceptable costs are translated into indirect rates used to distribute costs to the various contracts comprising the allocation base.

16. Trend and Analyze Costs

This activity involves gathering information on selected costs (such as inventory growth, travel costs, training costs, equipment costs, overtime, etc.) and doing analysis or trend to determine whether costs are prudent, consistent with predetermined plans or agreements, or whether anomalies require explanation or attention. Some operations offices perform this activity through

recurring reports; others have on-line access to contractor financial systems. Occasional checks of contractor ledgers may be appropriate when on-line access is not available.

17. Periodic Liaison Meetings With Contractors

The purpose is to gain an overall operational understanding of the contractor's financial management processes and results of operations. These interactions provide the basis for a comprehensive and complete evaluation of contractor financial management performance. We effectively perform liaison through face-to-face interactions, TeleVideo meetings or teleconferences, depending upon the urgency and complexity of issues. The proximity of the contractor determines the frequency of physical visits.

18. Conduct Risk Assessments

To focus effort on the key control systems needed for effective financial management each year a risk assessment is done. The risk assessment process identifies selected financial management activities ranked in relative priority, associated with the risk posed to the entire financial management organization. The list establishes a priority for the evaluation of management control systems.

19. Assess Internal Audit Function

The tri-party Cooperative Audit Strategy, consisting of Field and Site Offices, OIG, and contractor internal audit representatives, aimed to improve overall audit coverage by most effectively using all available resources. Increased reliance on contractor internal audit groups by the Department makes the contractual responsibility more important for the CFO to assess audit work and provide assurance that professional standards are met. The CFO should also participate in internal audit's risk assessments to ensure that audits focus on areas of highest risk.

20. Partner with Internal Auditors and external audit agencies (OIG, GAO, etc.)

The FCFO coordinates with the OIG and Internal Auditors to design comprehensive and appropriate audit strategies and schedules. This is to avoid duplication of efforts and ensure adequate coverage of high risk areas and regulatory mandated requirements. This joint effort should occur periodically throughout the year to incorporate any changes in audit plans and to recognize work performed. The CFO also performs liaison duties that include coordinating meetings, facilitating management responses to audit reports, assisting in audit resolution, responding to OIG 'hotline' calls referred to DOE Operations and Field Offices, etc.

21. Provide Meaningful Financial Information and Analysis to Program People and Others (i.e., Upper Management)

Program staff and senior management at DOE operations offices require reliable, insightful, objective financial information to effectively carry-out their program responsibilities. We fulfill this need through periodic briefings, executive-level financial reporting, providing graphical

analyses and through other tools. In order to provide management with meaningful financial information, FCFO personnel conduct ongoing analyses of accounts and financial results.

22. Partner with Technical Organizations to Achieve Effective Contractor Resource (Material and Human) Utilization

The purpose is to determine the effectiveness of the budget formulation and execution activities at each contractor. This evaluation is done with the appropriate program manager to evaluate resource utilization effectiveness.

23. Partner with counterparts to validate selected cost reduction efforts and other incentives.

Many DOE Offices have established Cost Reduction Incentive Programs where DOE compensates the contractor for innovative business operation accomplishments that exceed normal expectations. The CFO is responsible for ensuring that such accomplishments are genuine and computations of claimed benefits and cost savings are accurate. Performance may be tracked through a performance measure.

24. Budget Submission and Validation Reviews.

Joint DOE and contractor participation in these areas assess the formulation of laboratory budget and cost control management. Good oversight of these requirements promotes timely internal actions and compliance, foster valid formulation procedures and adequate cost controls. Close communication and coordination with customers and stakeholders of the budget produce increased customer satisfaction and delivery of useful financial products.

**PERFORMANCE YEAR 2001
ASSESSMENT MANAGEMENT PLAN**

Laboratory: Lawrence Berkeley National Laboratory (LBNL)

Contract #: DE-AC03-76SF00098

Functional Area: Human Resources Management

Point of Contact: DOE/OAK - Margo Triassi
Team Lead, Industrial Relations

LBNL - Michael O'Neil
Human Resources Manager

Purpose. The purpose of this plan is to document the activities to be used for assessment of LBNL human resources management performance through negotiated performance measures and operational awareness for the Fiscal Year 2001 performance period.

Applicable Performance Measures. The performance measures for contractor human resources management address the cost effectiveness of HR systems and practices, HR's role in lab work force planning, measurement of equal opportunity, affirmative action and diversity, development of an effective recruitment program, and the delivery of benefit and foreign national services.

DOE Operational Awareness Activities. Operational awareness activities are conducted throughout the appraisal period as a means of fulfilling oversight responsibilities under areas outside the scope of the negotiated performance measures.

Donna L. Kelly
Functional Manager
Contractor Human Resources

Date

**ASSESSMENT MANAGEMENT PLAN
LAWRENCE BERKELEY NATIONAL LABORATORY
CONTRACTOR HUMAN RESOURCES**

FY2001

A. APPENDIX F POCMS

See Attachment 1

Relationship of negotiated Objectives to HQ POCM's -

HQ POCM's have not been communicated as yet to the field in the HR area. We have been informed that they will be formatted according to the four "perspectives" of the Balanced Scorecard - Customer, Financial, Learning and Growth, and Internal Business Practices. The following addresses the relationship of the LBNL Criterion to the Balanced Scorecard elements:

Criterion 1.1	Compensation	Financial
Criterion 1.2	Employment of Women and Minorities	Internal Business Practices
Criterion 1.3	HR Systems and Processes	Financial/Internal Business Practices/Customer
Criterion 1.4	Labor Relations	Internal Business Practices
Criterion 1.5	Diversity and Work Life Quality Programs	Internal Business Practices
		Customer
Criterion 1.6	Workforce Excellence	Internal Business Practices
		Learning and Growth
Criterion 1.7	Employee Relations	Internal Business Practices

B. ASSESSMENT OF AREAS OUTSIDE OF APPENDIX F

<u>Oversight Area</u>	<u>Driver</u>	<u>Assessment Tool</u>
Resolution of issues identified prior through FY01 Compensation CIP* Increase Plan Review process.	FY00 Compensation Increase Plan approval to preparation of FY2002 letter, dated August 2000.	Discussions with LBNL HR
Employee Referral Incentive Plan	Approval letter, dated August, 2000	Review of impact/cost.*
Hiring Bonuses	OAK authorization, dated August, 2000	Review of impact/cost.*

Headquarters Assignments	DOE Guidance memos FY2001 Staffing Plan for DOE Notice 350.5 Washington, D.C. assignments
Overtime management	Clause 9.13, OvertimeOvertime Control Plan, if Management required (costs >4% payroll) DOE Order 350.1 Chapter IV, Comp - CRD
Performance award fund	App. A, XIV(b), Program descriptions, and costs as Employee Programs required (exceeding ceiling)
Labor Relations	DOE Order 350.1 Notification of bargaining Chapter 1, Labor objectives and timely submission Relations – CRD of Reports of Settlement
Inspector General/GAO Congressional inquiries	DOE Order 2320.1c Participation in data-gathering; DOE Order 2340.1c corrective action plans, etc.

*Assessment cannot be accomplished through transactions, or responses to contractual or DOE Order requirements. OAK will specifically request data to assess these items.

REPORTS

See Attachment 2

C. CONTRACTOR SELF-ASSESSMENT ACTIVITIES PLANNED

A self-assessment is prepared annually by LBNL Human Resources Department and the Affirmative Action and Diversity Program Office, addressing the respective performance objectives and measures. These activities are coordinated through the University of California Laboratory Administration Office (UCLAO) and are submitted as a lab-wide package to the UCLAO for review and evaluation and, subsequently, to DOE-OAK for evaluation. No other self-assessment is required of LBNL in the HR functional area.

D. DOE OPERATIONAL AWARENESS ACTIVITIES

Operational awareness will be conducted through the use of the Assessment Tools indicated above. Periodic follow-up on Operational Awareness activities will generally be accomplished through discussion during bi-weekly meetings with LBNL Human Resources Manager.

E. SCHEDULE OF PLANNED ACTIVITIES

Functional Manager meetings with LBNL	Bi-Weekly
Appendix F POCM's - Status of progress	Quarterly
Operational Awareness activities	
Resolution of CIP issues	1st Quarter

Utilization of Hiring Bonus
Utilization of Referral Bonus
Self-Assessment validation – FY01 POCM's
Evaluation of FY2001 POCM's

3rd Quarter
4th Quarter
August, 2001
November, 2001

FY01 Assessment Management Plan
Information Management

Site:	Lawrence Berkeley National Laboratory
Contract Number:	DE-AC03-76SF00098
Contractor:	University of California
Performance Period:	FY2001
Points of Contact:	
Department of Energy:	Vianna Briscoe
Berkeley Laboratory:	Dennis Hall

1. INTRODUCTION

The purpose of this plan is to describe and document how the Department of Energy, Oakland Operations Office, Information Management Division (IMD) will assess and measure contractor performance in the area of managing its information assets as a corporate resource in support of the Laboratory mission.

The mission of IMD is to oversee the management of the information and information technology assets at OAK, our laboratories and customer sites through partnering with customers and stakeholders in support of OAK's mission.

Our Vision is to be recognized for exceeding customer expectations, and for our innovation and creativity. In addition we envision that OAK and its laboratories and contractor sites provide quality services, information systems, products, and technology in an effective, efficient, and economical manner.

IMD oversees all Information Management activities at OAK's M&O Contractor sites. Functional areas included within Information Management are Computing Management (including Hardware and Software Management), Telecommunications, (e.g. Frequency Spectrum, Voice, Video Network Management, and Data) Printing and Reproduction, and Archive & Records Management.

Oversight of Unclassified Computer Security was moved under Safeguards and Security in FY1999.

2. CONTRACT PERFORMANCE MEASUREMENT

Performance Measurement is based on the requirements negotiated as part of the performance measurement program. Performance Measurement requirements are found in Appendix F of the Contract. Performance measures have been cross walked with the performance measures listed in the DOE IM Strategic Plan.

Safeguard and Security Division (SSD) will rate the Unclassified Computer Security Program measures which are incorporated into the IM POCMs.

3. ASSESSMENT OF AREAS OUTSIDE CONTRACT PERFORMANCE MEASURES

Compliance - These are the requirements that result from contract provisions, DOE regulations, and Federal Law.

DOE O 200.1 Information Management Program

DOE N 205.2 Password Generation, Protection, and Use

DOE N 205.2 Foreign National Access to DOE Cyber Systems

DOE O 1450.4 Consensual Listening-in to or Recording Telephone/Radio Conversations

DOE O 1340.1B Management of Public Communications Publications and Scientific, Technical, and Engineering Publications.

Public Law 1000-235, The Computer Security Act of 1987, Section 2(b)(3) and 2(b)(4), which require security plans and training.

National Telecommunications and Information Administration Manual of Regulations and Procedures for Federal Radio Frequency Management Dated 1-1-91.

National Communications System Manual 3-1-1, Dated 7-9-90, which provides procedures to implement the Telecommunications Service Priority (TSP) System for National Security and Emergency Preparedness (NS/EP) as prescribed in NCSD 3-1. LBNL Contract Clauses relating to Archives & Records Management

- a) Clause 11.2 - FAR 52.224-1 - Privacy Act Notification (Apr 1984)
- b) Clause 11.3 - FAR 52.224-2 - Privacy Act (Apr 1984)
- c) Clause 11.8 - Dear 952.224-70 - Paperwork Reduction Act (Apr 1984)
- d) Clause 11.4 - Privacy Act Records (Special)
- e) Clause 11.7 - FAR 52.253-1 - Computer Generated Forms (Jan 1991)

- f) Clause 11.1 -Access to and Ownership of Records (June 1997)(modified)
DEAR 970.5204-79

4. LABORATORY SELF ASSESSMENT

Performance Measurement requirements are found in Appendix F of the Contract. The Laboratory and IMD have agreed that the Laboratory will perform self assessment in focus areas that are identified in the performance measures.

For compliance, the Laboratory will ensure it is complying with the necessary requirements, particularly in Telecommunications, Archives & Records Management and Printing and Reproduction.

The Laboratory will prepare the Printing and Publishing Activities Three Year Plan and the semi annual Direct Commercial Printing Report.

5. OAK/IMD OPERATIONAL AWARENESS

Performance-based management of the Laboratory is accomplished through operational awareness activities and the Laboratory self-assessment. Operational awareness activities are conducted throughout the appraisal period as a means of gaining the required knowledge and understanding of Laboratory activities in executing the DOE mission and to validate the annual self-assessment.

IMD operational awareness activities for performance include the following:

- make site visits to monitor implementation and progress of the Laboratory's performance and compliance.

- review the Laboratory's agreed-to planning, self-assessment, and acquisition documents as they become available, or during quarterly site visits.

- review results of Laboratory customer satisfaction surveys, as they occur. In addition IMD will validate the results, as appropriate.

- review cost avoidance based on the Laboratory's acquisitions of hardware, software, and projects that result in significant productivity improvements. IMD will validate these results through quarterly site visits and documentation reviews.

6. SCHEDULE OF PLANNED ACTIVITIES

Scheduled quarterly meetings will be held throughout the year

Additional meetings and regularly scheduled on-site visits are done throughout the year.

Review of the Printing 3 year plan is conducted in December, and the Direct Commercial Printing Reports are conducted in April.

Additional information concerning planned activities is addressed in the site-specific agreements between IMD and LBNL in the Information Management area.

7. POINTS OF CONTACT

IM Functional Area	OAK/IMD POC	LBNL POC
Computing	Walter Cyganowski (510) 637-1745 walter.cyganowski@oak.doe.gov	Dennis Hall (510) 486 6053 dehall@lbl.gov Carl Eben (510) 486 7197 cdeben@lbl.gov
Printing and Reproduction	Karen Payne-Jones (510) 637-1747 karen.payne-jones@oak.doe.gov	Carol D. Backhus (510) 486-6307 cdbackhus@lbl.gov Faye Jobes (510) 486-6787 afjobes@lbl.gov
Telecommunications	Dru Burks (510) 637-1632 dru.burks@oak.doe.gov	Linda Smith (510) 486-4440 lksmith@lbl.gov Glenn Skipper (510) 486 6125 gmskipper@lbl.gov Ted Sopher (510) 486-4144 tgsopher@lbl.gov
Archives & Records Management	Sharon Adams (510) 637-1737 sharon.adams@oak.doe.gov	Carol D. Backhus (510) 486-6307 cdbackhus@lbl.gov

FY2001 Assessment Management Plan
(Procurement)

Site: Lawrence Berkeley National Laboratory

Contract Number: DE-AC03-76SF00098

Contractor: University of California

Performance Period: 10/1/00 – 9/30/01

DOE Point of Contact: Sandra R. Silva, (510) 637-1878, e-mail address – sandie.silva@oak.doe.gov

LBNL Point of Contact: Richard J. Arri, e-mail address- rjarri@lbl.gov

UCLAO Point of Contact: Chuck McDonald, (510) 987-0783

STATUS OF PURCHASING SYSTEM: Approved. A copy of approval letter with thresholds is available from the Contracting Officer.

LAST FORMAL BUSINESS REVIEW: In November 2000, the purchasing system will be reviewed in conjunction with the annual performance-based management appraisal (Appendix F). The system was last reviewed during the November 1999 Appendix F appraisal process.

ASSESSMENT ACTIVITIES: This Assessment Management Plan is established for the Procurement function area. There are four core objective areas, with sub-criteria areas to be validated throughout the year. These four core objective areas are:

- (1) Management of Internal Business Processes
- (2) Customer Satisfaction
- (3) Learning and Growth; and
- (4) Managing Financial Aspects

I. Management of Internal Business processes: The Laboratory shall have systems in place to ensure procurement programs operate in accordance with DOE approved policies and procedures and business is conducted at an optimum and operational effectiveness level. The Laboratory reviews, documents, and reports annually, the results of a successful assessment of its purchasing system against established evaluation criteria. The purchasing system should support an effective supplier management program that supports on-time delivery, quality products and customer satisfaction.

Appendix F, Performance Objective #1 is aligned and fulfills the Balanced Scorecard model requirement for system compliance and internal business processes.

A. System Evaluation (PM #1.1)

1. Review and discuss the Risk-based system evaluation Plan (PM #1.1a).
2. Discuss specific activities within the risk-based system.
 - a. High-risk activities planned.
 - b. Low risk activities planned.
3. As applicable, review and discuss the status of the proposed and implemented changes to the procurement system, corrective actions, and procurement management's resolution of the self-assessment results.
4. Review and discuss the cost efficient management plan for resolution of system deficiencies and opportunities for improvement.

Validation and Reporting: Evaluate the results of the system assessment and management of corrective measures for system improvements. System deficiencies will include those identified by the Laboratory, internal Laboratory organizations and external organizations. Participate in the self-assessment activities for validation.

B. Pursuing Best Practices (PM #1.2)

1. Measure against benchmarks and industry standards for cycle time and utilization of alternative procurement approaches/techniques for improving operational efficiency.
2. Gradients are agreed to and defined under PM #1.2.

Validation and Reporting: Evaluate and validate the progress of achieving the goals. Discuss methods or streamlined processes implemented to achieve the goals.

C. Supplier Performance (PM #1.3)

1. Discuss the methods to be implemented or continued to manage suppliers to ensure goods and services acquired meet Laboratory requirements.
2. Gradients are agreed and defined under PM #1.3.

Validation and Reporting: Evaluate and validate suppliers' performance to the established gradients.

D. Socioeconomic Program (PM #1.4)

1. The Laboratory shall support and promote socioeconomic subcontracting programs.
2. Review the outreach activities planned throughout the year..

Validation and Reporting: The Laboratory will report the percentage of actual subcontract dollar obligations in the four categories identified in the performance measure for FY01 based on the mandated goals issued by DOE Headquarters. Validate the progress for achieving the goals.

II. CUSTOMER SATISFACTION: Customer satisfaction is a principal measure of the effectiveness of the procurement system to provide quality materials and services in a timely and accurate manner which meets or exceeds customer expectations. Customer transactional surveys will be used to obtain the customers' level of satisfaction regarding the procurement process.

Appendix F, Performance Objective #2 is aligned and fulfills the Balanced Scorecard model requirement for customer satisfaction.

A. Customer Feedback (PM #2.1)

1. Review and discuss the customer transactional survey and weighting created from the results of previous customer surveys.
2. Review customer needs progress based on transactional survey results. Discuss any improvement activities initiated and achieved throughout the year.

Validation and Reporting: Review and agree on the acceptability of the survey process and contents October 1, 2000 . Review and discuss the survey results no later than September 1, 2001.

III. LEARNING AND GROWTH: The Laboratory shall ensure that information and feedback mechanisms are available to procurement employees to enhance continued successful procurement operations.

Appendix F, Performance Objective #3 is aligned and fulfills the Balanced Scorecard model requirement for Learning and Growth.

A. Employee Feedback (PM #3.1)

1. Review and discuss the employee survey and weighting created from the results of the previous employee survey.
2. Review employee needs based on survey results. Discuss any improvement activities initiated and achieved throughout the year.

Validation and Reporting: Review and agree on the acceptability of the survey process and contents no later than October 1, 2000. Review and discuss the survey results no later than September 1, 2001. Validate during the year progress to achieving the goals.

B. Information Availability (PM #3.2)

1. Review and discuss the baseline information, determination and methodology from FY 2000 baseline.

2. Discuss the approach and deployment to make information available.

Validation and Reporting: Monitor the information available to employees and progress toward deployment.

IV. MANAGING FINANCIAL ASPECTS: The Laboratory shall ensure optimum cost efficiency of purchasing operations.

Appendix F, Performance Objective #4 is aligned and fulfills the Balance Scorecard model requirement for managing financial aspects.

A. Process Cost (PM #4.1)

1. Discuss the approach to controlling costs.
2. Gradients agreed to and defined in PM #4.1.
3. Review the operating costs as a percentage of total procurement dollars obligated quarterly.

Validation and Reporting: Validate cost to spend ratio including allowance for changes to funding and budget.

V. AREAS OF OPERATIONAL AWARENESS: Operational Awareness areas are outside of Appendix F Performance Objectives and the Balanced Scorecard, but are within the requirements of DEAR 970.71. These areas are:

- A. Standard Purchasing Practices.
- B. Individual Laboratory supplemental instructions to the Standard Purchasing Practices.
- C. Individual laboratory significant subcontract reviews that exceed the system approved thresholds.
- D. For Cause issues, if any.
- E. Demonstration Projects that introduce new business practices which deviate from the Standard Practices. These are projects “outside the Federal Norm” which may or may not initiate the most efficient business practices possible.
- F. Observance of the Independent Evaluation of the annual Appendix F Self-assessment.
- G. Responding to IG, and GAO audits, and Congressional and DOE Headquarters inquiries, etc.
- H. Support and promote socioeconomic activities in response to the Small Business Program Manager.

- I. Communication: In addition to the quarterly meetings with the Procurement Functional Managers, the Contracting Officer meets weekly with the Procurement Manager to discuss issues, resolutions, and provides assistance. The Contracting Officer communicates with laboratory staff and University of California Laboratory Administration Office (UCLAO) representatives on an as needed basis.

Prepared by:

Sandra R. Silva, Contracting Officer

Date: _____

Concurrence:

Ronna Promani, Team Leader
Contracts, Acquisition,
and Property Division

Date: _____

FY01 ASSESSMENT MANAGEMENT PLAN

(Property Management)

LABORATORY

Lawrence Berkeley National Laboratory
One Cyclotron Road
Berkeley, CA 94720

CONTRACT NUMBER

W-7405-ENG-98

CONTRACTOR:

University of California

FUNCTIONAL AREA

Personal Property Management

DOE POINT OF CONTACT:

Lee Williams
(510) 637-1773

CONTRACTOR POINT OF CONTACT:

Gavin Robillard (510) 486-4184
Property Manager

SYSTEM STATUS:

Approved

PERFORMANCE OBJECTIVES **(DESIRED OUTCOMES)**

Laboratory performance data, based on the outcome of the Appendix F process, is continuously tracked and trended in order to promote continuous performance improvement. Periodic performance status reports and briefings are provided by Laboratory functional managers to the OAK Property Staff. The annual Appendix F performance assessment for LBNL will rely on measurement of performance in the "Desired Outcomes" or core measures as defined in the Property Performance Assessment Model (PPAM). These desired outcomes also reflect the core elements transmitted in the Balanced Scorecard (BSC) for personal property issued by the Deputy Assistant Secretary for Procurement and Assistance Management.

The primary emphasis of the operational awareness program is the on-going assessment of those areas of property management which are defined as being critical based on their related risk, and immediate impact to the customer.

APPENDIX F/ PPAM
PERFORMANCE OBJECTIVES:

1. Accountability for Controlled and Sensitive Property

Measure:

Percentage of personal property accounted for as described in the approved inventory plan, will be measured.

2. Inventory of Precious Metals

Measure:

Percentage of precious metals accounted for by weight in grams.

3. Quality of the Database

Measure:

The confidence level that all personal property items which are subject to inventory are recorded in the database shall be measured.

4. Individual Accountability

Measure:

The percentage of accurate accountable individual assigned will be measured.

5. Fleet Utilization/Sizing

Measure:

The percentage of total eligible vehicles meeting local use objectives will be measured.

6. Process Quality

Measure:

The Laboratory's assessment of internal processes based on approved policies and procedures will be assessed by OAK.

7. Customer Expectations

Measure:

The Laboratory's measurement of customer satisfaction will be assessed by OAK.

8. Cost Efficiency/Effectiveness

Measure:

The balance of property management costs and associated performance will be measured.

9. Organizational Vitality

Measure:

The Laboratory's assessment of and plan for achieving employee learning, growth development, as well as workplace goodness will be measured.

ON-GOING OPERATIONAL AWARENESS ACTIVITIES

Operational Awareness is the on-going monitoring and assessment of contractor performance in the PPAM "subgauges," which are the foundation of the property management program. Operational Awareness is achieved in partnership with the Laboratory through the joint attendance of meetings, management walk-throughs, review and analysis of periodic subgauge data, and the assessment of systems performance against desired outcomes which have been jointly established. Areas of on-going operational awareness are risk-based and consider possible impacts to the customer. Further, it is the intent of the Operational Awareness program to identify opportunities for improvement on a "real time" basis, thereby lessening the need for a "for cause" review.

Property Performance Assessment Model(PPAM)

OAK's Operational Awareness will be achieved in partnership with the Laboratory. During Fiscal Year 2001, on-going performance assessment will be achieved at LBNL through the implementation of the PPAM. The model is comprehensive and addresses all critical areas of the property management program, as also referenced in the Department's BSC. It is not intended that separate assessment of these elements is conducted by OAK, but that by implementation of the PPAM all areas will be addressed.

Compliance Evaluation: Compliance with applicable contractor policies and procedures, and contract requirements will be jointly evaluated in partnership with the Laboratory as part of the on-going operational awareness program and the self- assessment module of the PPAM. Compliance will be treated as a separate issue from the measurement and tracking of functional performance outcomes. Compliance evaluation will utilize a graded, risk-based approach. Deviations from existing policies will be considered in cases where best business or commercial management techniques are being utilized which are in conflict with existing regulation, but have resulted in cost-savings, improved performance, or increased customer satisfaction. Proposed changes to contractor procedures/systems are coordinated with the OAK Property Staff prior to implementation.

OTHER AREAS TO BE ADDRESSED THROUGH OPERATIONAL AWARENESS:

(Information for these elements is provided via the PPAM) Subgauges and through self assessment/OPMO validation

Quarterly updates of certain PPAM subgauges will be provided in order to develop and assess performance trends. On-going data should also be collected and made available at the request of the OPMO.

Database Quality

% property tagged when received

% tagging requests completed within 15 days

% property identified in database items during floor to database sampling

Accountability

% of accurate custodian assignments for sensitive property by statistical sampling

% accurate custodial assignment for controlled property by statistical sampling

% initial custodians assigned within 60 days

Motor Vehicle Management

Measure:

The percentage of eligible vehicles for which utilization data is being tracked and reviewed quarterly against established criteria.

Assess underutilized vehicle actions.

Assess program for review/approval of overnight use of vehicles

Management of Precious Metals

Measure:

Assess the accuracy of the precious metals inventory

Assess the recording of precious metals transactions

Assess system of procuring precious metals to ensure that LBNL contacts the DOE precious metals Business Center prior to acquisition on the open market.

Assess the percentage of on-hand precious metals being effectively utilized

Assess termination check-out procedures for employees in possession of precious metals.

Storage and Warehousing

Measure:

Assess the percentage of long-term stored items adequately justified, by reviewing a sampling of long-term storage justifications.

Loan Program Effectiveness

Measure:

Assess percentage of property dispositioned within 60 days following loan expiration

Subcontractor Property Controls

Measure:

Percentage of subcontractor property management reviews completed within 6 months of receipt subcontract by Property Management.

High-Risk Property Controls

Measure:

Assess the percentage of property dispositions reflecting proper high-risk property review

Lee Williams (date)
Organizational Property anagement Officer

John T. Morgan (date)
Team Leader
Property & Business
Administration Team